

o The U.S. Department of Justice and DOJ's Antitrust Division, the FCC and to whom all this is received,

I urge the FCC to mandate wireless net neutrality if it were to approve the AT&T T Mobil merger which should be blocked. Second I applaud the Justice Department for denying the merger. I hope to see the Qualcomm merger also denied. Individually both mergers are harmful for consumers and competition but together far worse.

The Department of Justice gave wireless customers an extremely valuable gift last week when it filed suit to block the AT&T/T-Mobile merger, a \$39 billion boondoggle that would've made AT&T richer and more powerful at the expense of everybody else. By suing to block the merger, the Justice Department allowed consumers to keep the benefits of the competition, innovation and choice that a competitive market, such as it is, provides for us.

AT&T and its supporters, predictably, have been howling about the decision, calling the Obama administration anti-business and saying the DoJ is interfering with the market and killing jobs. And they are being something less than candid.

The Justice Department made clear that the decision was made to protect competition and innovation for all businesses and consumers, not just AT&T alone. What's good for AT&T is not necessarily good for the rest of the telecom industry, and certainly not for the rest of us.

The level to which AT&T was willing to stoop to enrich itself was exemplified by an act so cynical, it could easily be described as economic extortion.

The morning of Aug. 31, mere hours before the Justice Department announced that it would block the merger, AT&T pledged to bring 5,000 call-center jobs back to the United States from overseas. If, that is, its \$39 billion merger with T-Mobile were approved.

AT&T and its allies tried painting this promise as a good-faith, good-citizenship effort. But I am compelled to ask: What's so good about holding 5,000 jobs hostage in exchange for a multi-billion dollar deal that will hurt everyday American families? While millions look for work, AT&T tauntingly dangles jobs like a schoolyard bully.

If we're to trust AT&T on its pledge--given its history of promising job growth and delivering job cuts, there is good reason not to--5,000 call center jobs that were outsourced to countries where workers are paid pennies would come back, but only in exchange for approval of a job-killing, competition-destroying merger that would benefit pretty much nobody but AT&T and its Wall Street investors.

Removing the lowest-cost national wireless carrier from the market and handing over its customers to the highest-cost, worst-service carrier is clearly not in the public's best interest. It's a deal so bad that even independent investment analysts expressed grave doubts about its economic benefit.

Another question comes to mind: Why should repatriating jobs hinge on the approval of this shakedown of a merger? AT&T has reported enormous profits, quarter after quarter after quarter.

Unless call center workers are raking in seven-figure salaries, surely there is enough money in AT&T's coffers to put 5,000 Americans on the payroll without forcing thousands more job cuts upon us.

AT&T had such confidence--some might say hubris--that it behaved from the start as though the deal

was already done. It had primed so many policymakers with liquor, food and cash, spending nearly \$2 million a month on lobbyists, it could surely expect the machinery of Washington to turn in its favor, right? The Justice Department didn't see it that way.

"Unless this merger is blocked, competition and innovation will be reduced, and consumers will suffer," said Sharis Pozen, the Justice Department's acting head for anti-trust cases. "Any way you look at it, this transaction is anti-competitive."

Those are remarkably strong words from a government official, especially a lawyer. They rarely speak in absolutes, so the fact Pozen did so here speaks to the strength of the DoJ's case, and also to the high unlikelihood that it is willing to negotiate a settlement. If the offer AT&T put on the table in its fourth attempt to sway regulators was irredeemably anti-competitive, what could it possibly add to make them forget that $4 - 1 = 3$?

AT&T has made overtures toward offering conditions and divestment, according to reports quoting anonymous sources, which smacks of insiders floating trial balloons to see if the idea gains any support. So far, nobody in a position to accept a deal has shown interest. Not even a mountain of cupcakes could sweeten this bitter deal.

But don't expect AT&T to roll over. It's pledged to "vigorously contest" the DoJ suit, and it has an extremely large war chest. However, much of its cheering section has gone conspicuously quiet ever since AT&T mistakenly released a confidential document that undermined its primary argument for the merger. The document revealed what the Justice Department made its primary focus: the merger was less about improving service than about eliminating competition.

Federal Communications Commission Chairman Julius Genachowski, whose agency could kill the deal even if the DoJ suit fails or settles, offered this: "Competition is an essential component of the FCC's statutory public interest analysis, and although our process is not complete, the record before this agency also raises serious concerns about the impact of the proposed transaction on competition."

Reed Hundt, one of Genachowski's predecessors as FCC chair, had more explicitly discouraging words for AT&T. "AT&T is certain to lose," he said. "The Department of Justice will win the case in court. No question about it."

Perhaps instead of kicking, screaming and spending millions trying to force the deal through, AT&T should just pay T-Mobile its \$6 billion break-up fee, and spend \$3.8 billion--the cost of expanding and improving its network, which it rejected in favor of pursuing the \$39 billion merger--providing better service for its customers.

And maybe it could bring those 5,000 call center jobs back to America, just to be a good citizen.

Sincerely,

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